

**NOOR AL MAL FOR FINANCIAL BROKERAGE  
AND FOREIGN STOCK EXCHANGE COMPANY**

**(LIMITED LIABILITY COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2022**



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**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE PARTNER OF NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
COMPANY  
LIMITED LIABILITY COMPANY  
AMMAN - JORDAN**

## **Introduction**

We have reviewed the accompanying interim condensed financial statements of Noor Al Mal for financial brokerage and foreign stock exchange limited liability company (the “Company”) as at 30 June 2022, comprising of the interim statement of financial position as at 30 June 2022 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the independent Auditor of the Entity”. A review of Interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to the attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **Emphasis of a matter**

Without modifying our conclusion, and as disclosed in note (1) to the interim condensed financial statements, The Company's General Assembly decided in its extraordinary meeting held on 29 March 2022 to approve the merger of Noor Capital Markets for Diversified Investments Company with Noor Al Mal Brokerage and Foreign Stock Exchange Company, where Noor Capital Markets for Investments Company will be the merging company. The Company have submitted an application to the Jordanian Ministry of Industry and Trade to proceed with the merger procedures in accordance with legal requirements. Accordingly, the interim condensed financial statements were prepared on other than going concern basis.

### **Other matter**

The financial statements for the year ended 31 December 2021 and the interim condensed financial statements for the period ended 30 June 2021, respectively, were audited and reviewed by another auditor who expressed an unqualified opinion and unqualified conclusion on 30 January 2022 and 11 July 2021, respectively.

Amman – Jordan  
24 July 2022

**ERNST & YOUNG**  
Amman - Jordan

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Notes	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited) (Restated note12)	1 January 2021 JD (Audited) (Restated note12)
<b><u>ASSETS</u></b>				
Cash on hand and at banks	6	541,039	248,182	47,362
Trade receivable and other current assets	5	852,234	818,700	918,746
Amounts due from a related party	4	2,007,769	2,123,204	1,800,213
Right of use assets		80,561	58,812	108,804
Intangible assets		215,820	219,837	232,414
Property and equipment	3	73,768	80,800	99,041
<b>Total Assets</b>		<b>3,771,191</b>	<b>3,549,535</b>	<b>3,206,580</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Liabilities -</b>				
Accounts payable and other current liabilities	7	356,266	375,763	195,775
Lease contracts liabilities		86,593	62,788	112,183
Income tax provision	9	92,249	60,046	106,667
<b>Total liabilities</b>		<b>535,108</b>	<b>498,597</b>	<b>414,625</b>
<b>Equity -</b>				
Paid-in capital	1	3,250,000	3,250,000	3,250,000
Statutory reserve	10	50,605	50,605	13,661
Accumulated losses		(64,522)	(249,667)	(471,706)
<b>Total equity</b>		<b>3,236,083</b>	<b>3,050,938</b>	<b>2,791,955</b>
<b>Total Liabilities and Equity</b>		<b>3,771,191</b>	<b>3,549,535</b>	<b>3,206,580</b>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	<u>Notes</u>	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021	2022	2021
		JD	JD	JD	JD
<b><u>Revenues</u></b>					
Brokerage commissions revenue	8	612,193	594,508	1,137,829	1,207,957
Interest income		11,712	9,149	23,869	16,880
Other income		(5,927)	992	(1,035)	6,250
<b>Total revenues</b>		<b>617,978</b>	<b>604,649</b>	<b>1,160,663</b>	<b>1,231,087</b>
<b><u>Expenses</u></b>					
Administrative expenses		(259,295)	(180,894)	(535,374)	(357,341)
Marketing expenses		(139,707)	(126,306)	(308,543)	(215,381)
Depreciation and amortisation		(28,570)	(30,205)	(56,627)	(62,725)
Finance costs – leases contracts liabilities		(1,794)	(2,104)	(2,971)	(4,207)
<b>Total expenses</b>		<b>(429,366)</b>	<b>(339,509)</b>	<b>(903,515)</b>	<b>(639,654)</b>
<b>Profit for the period before tax</b>		<b>188,612</b>	<b>265,140</b>	<b>257,148</b>	<b>591,433</b>
Income tax	9	(52,812)	(74,241)	(72,003)	(165,601)
<b>Profit for the period</b>		<b>135,800</b>	<b>190,899</b>	<b>185,145</b>	<b>425,832</b>
Add: other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>135,800</b>	<b>190,899</b>	<b>185,145</b>	<b>425,832</b>

**The attached notes from 1 to 13 form part of these interim condensed financial statements**

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

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	Paid-in capital	Statutory reserve	Accumulated losses	Total
	JD	JD	JD	JD
<b>For the six months ended 30 June 2022 -</b>				
Balance as at 1 January 2022	3,250,000	50,605	(249,667)	3,050,938
Total comprehensive income for the period	-	-	185,145	185,145
<b>Balance as at 30 June 2022</b>	<u>3,250,000</u>	<u>50,605</u>	<u>(64,522)</u>	<u>3,236,083</u>
<b>For the six months ended 30 June 2021 -</b>				
Balance as at 1 January 2021	3,250,000	13,661	(471,706)	2,791,955
Total comprehensive income for the period	-	-	425,832	425,832
<b>Balance as at 30 June 2021</b>	<u>3,250,000</u>	<u>13,661</u>	<u>(45,874)</u>	<u>3,217,787</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

		For the six months ended 30 June	
	Note	2022	2021
		JD	JD (Restated note12)
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		257,148	591,433
<b>Adjustments for -</b>			
Depreciation and amortization		24,092	37,730
Depreciation – right of use asset		32,535	24,995
Finance costs – leases contracts liabilities		2,971	4,207
<b>Working Capital Changes -</b>			
Trade receivable and other current assets		(33,534)	45,158
Accounts payable and other current liabilities		(19,497)	83,480
Amounts due from a related party		115,435	(519,582)
Income tax paid		(39,800)	(67,330)
<b>Net cash flows from operating activities</b>		<b>339,350</b>	<b>200,091</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	3	(10,793)	(9,574)
Purchase of intangible asset		(2,250)	(4,850)
<b>Net cash flows used in investing activities</b>		<b>(13,043)</b>	<b>(14,424)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Payments of lease contracts liabilities		(33,450)	(28,449)
<b>Net cash flows used in financing activities</b>		<b>(33,450)</b>	<b>(28,449)</b>
<b>Net increase in cash and cash equivalents</b>		<b>292,857</b>	<b>157,218</b>
Cash and cash equivalents at the beginning of the period		248,182	47,362
<b>Cash and cash equivalents at the end of the period</b>		<b>541,039</b>	<b>204,580</b>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT  
30 JUNE 2022 (UNAUDITED)**

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**(1) GENERAL**

Noor Al Mal for Financial Brokerage and Foreign Stock Exchange was established on 2 January 2018 as a Limited Liability Company under registration number (50016) with an authorized, subscribed and paid in capital of JD 3,250,000, divided into 3,250,000 shares with a par value of 1 JD per share.

The Company is wholly owned by NCM for investments company (Parent Company), and the interim condensed financial statements are consolidated with NCM for investments company (Parent Company).

The main activities of the Company is brokerage, financial consulting, investment management and dealing in foreign stock exchanges.

The Company's General Assembly decided in its extraordinary meeting held on 29 March 2022 to approve the merger of Noor Capital Markets for Diversified Investments Company with Noor Al Mal Brokerage and Foreign Stock Exchange Company, where Noor Capital Markets for Investments Company will be the merging company. The Company have submitted an application to the Jordanian Ministry of Industry and Trade to proceed with the merger procedures in accordance with legal requirements.

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The interim condensed financial statements as at 30 June 2022 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements are presented in Jordanian Dinars, which is the functional currency of the Company.

The interim condensed financial statements were prepared on other than going concern bases, which includes represent the assets and liabilities at their net realizable value.

The interim condensed financial statements do not contain all information and disclosures that are required for financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's financial statements as at 31 December 2021. Furthermore, the results of operations for the six months period ended 30 June 2022 do not necessarily reflect the expected results of the operations for the year ending 31 December 2022.

### **CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new standards effective as at 1 January 2022 shown below:

#### **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed financial statements of the Company.

#### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed financial statements of the Company.

#### **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the interim condensed financial statements of the Company.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

This amendment is not applicable to the Company.

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed financial statements of the Company.

**(3) PROPERTY AND EQUIPMENT**

The Company purchased property and equipment during the six-month period ended 30 June 2022, with a cost of JD 10,793 (30 June 2021: JD 9,574).

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT  
30 JUNE 2022 (UNAUDITED)**

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**(4) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the company, and companies of which they are principal owners. Policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the interim statement of financial position are as follows:

**Amounts due from a related Party**

	30 June 2022	31 December 2021	1 January 2021
	JD	JD	JD
	(Unaudited)	(Audited) (Restated note12)	(Audited) (Restated note12)
NCM for Investments Company (Parent Company)	2,007,769	2,123,204	1,800,213

The balances above do not bear interest and have no specific maturity date and are due on demand.

Transactions with related parties included in the interim statement of comprehensive income are as follow:

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Brokerage commissions revenues from the Parent Company (note 8)*	1,137,086	1,205,396

- \* The Company signed an agreement with NCM for investment company (Parent Company) on 6 July 2018, according to the agreement and its subsequent amendments. The Company is entitled to USD 4 per each full contract trade transaction (30 June 2021: USD 4) due on a monthly basis.

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
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30 JUNE 2022 (UNAUDITED)**

**5) ACCOUNT RECEIVABLES AND OTHER CURRENT ASSET**

The details of this item are as follows:

	30 June 2022	31 December 2021	1 January 2021
	JD	JD	JD
	(Unaudited)	(Audited)	(Audited) (Restated note12)
Letter of guarantees deposits	700,000	700,000	821,000
Prepaid expenses	80,605	57,245	42,508
Trade receivables	9,045	-	-
Securities Deposit Centre deposits*	25,000	25,000	25,000
Employees receivables	18,347	21,730	16,347
Others	19,237	14,725	13,891
	<u>852,234</u>	<u>818,700</u>	<u>918,746</u>

\*Interest rate on Securities Deposit Center deposits was 3.5% per annum.

**(6) CASH ON HAND AND AT BANKS**

	30 June 2022	31 December 2021	1 January 2021
	JD	JD	JD
	(Unaudited)	(Audited) (Restated note12)	(Audited) (Restated note12)
Cash on hand	892	577	177
Current accounts*	540,147	247,605	47,185
	<u>541,039</u>	<u>248,182</u>	<u>47,362</u>

\* This item consists of the Company's current accounts with banks, less restricted cash against the customers' accounts (note 13). The interest rate on the monthly balance of the current account at Arab Jordan Investment Bank was 1%.

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT  
30 JUNE 2022 (UNAUDITED)**

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**7) ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES**

The details of this item are as follows:

	30 June 2022	31 December 2021	1 January 2021
	JD	JD	JD
	(Unaudited)	(Audited) (Restated note12)	(Audited) (Restated note12)
Accrued commissions	167,315	280,698	112,925
Accrued expenses	51,375	23,738	31,628
Accounts payable	52,738	26,373	17,627
Legal cases provision	25,037	25,037	-
Due to the income and sales tax department	5,199	-	2,557
Others	54,602	19,917	31,038
	<u>356,266</u>	<u>375,763</u>	<u>195,775</u>

**(8) BROKERAGE COMMISSIONS REVENUES**

The details of this item are as follows:

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Brokerage commissions revenues from the Parent Company (note 4)	1,137,086	1,205,396
Commissions revenues from local brokerage	743	2,561
	<u>1,137,829</u>	<u>1,207,957</u>

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
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**(9) INCOME TAX**

The Company calculated the income tax for the results of operations for the periods ended 30 June 2022 and 30 June 2021 in accordance with income tax law No. (34) of 2014 and its amendments.

The Company's income tax rate in accordance with the income tax law No. (34) of 2014 and its amendments is 24% in addition to 4% as a National Contribution Tax.

The Company reached a final settlement with the Income Tax Department up to the year 2020. The Company submitted its tax return to the Income Tax Department for the year ended 31 December 2021, the Income Tax Department did not review the records up to the date of these interim condensed financial statements.

The movement on the income tax provision is as follows:

	30 June 2022	31 December 2021	1 January 2021
	JD	JD	JD
	(Unaudited)	(Audited)	(Audited)
Balances as at the beginning of the period / year	60,046	106,667	-
Provision for the period / year	72,003	110,453	106,667
paid during the period / year	(39,800)	(157,074)	-
Balances as at the end of the period / year	<u>92,249</u>	<u>60,046</u>	<u>106,667</u>

**(10) LEGAL RESERVES**

The Company did not transfer to legal reserves and calculate the other fees for the six months ended 30 June 2022 as required by the Companies Law as those are interim condensed financial statements.

**(11) CONTINGENT LIABILITIES**

**LAWSUITS RAISED AGAINST THE COMPANY**

The company is a defendant in a number of lawsuits in the ordinary course of business in the amount of JD 211,075 as at 30 June 2022 (2021: JD 167,691). The Company's management and its legal counsel believe that no additional provision is needed for the lawsuits more than what has already been recognized in the interim condensed financial statements.

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT  
30 JUNE 2022 (UNAUDITED)**

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**(12) RESTATEMENT OF COMPARATIVE FIGURES**

During the period ended 30 June 2022, management adjusted the comparative figures for the year ended 31 December 2021 to comply with IFRS 15 "Revenues from contracts with customers" and IAS (8) "Accounting Policies, Changes in Accounting Estimates and Errors". The reclassification had no impact on the income for the period ended 30 June 2021 and the equity for the year ended 31 December 2021.

The impact of these adjustments on the statement of financial position is as follows:

	1 January 2021		
	Before adjustments	Effect of adjustments	After adjustments
	JD	JD	JD
<b>Assets-</b>			
Cash on hand and at banks	898,339	(850,977)	47,362
Restricted cash against customers' accounts	899,407	(899,407)	-
Trade receivable and other current assets	74,927	843,819	918,746
Deposits	846,000	(846,000)	-
Amounts due from a related party	1,512,577	287,636	1,800,213
<b>Liabilities -</b>			
Accounts payable and other current liabilities	1,660,704	(1,464,929)	195,775
	31 December 2021		
	Before adjustments	Effect of adjustments	After Adjustments
	JD	JD	JD
<b>Assets -</b>			
Cash on hand and bank balances	610,819	(362,637)	248,182
Restricted cash against customers' accounts	2,776,952	(2,776,952)	-
Amounts due from a related party	3,324,437	(1,201,233)	2,123,204
<b>Liabilities -</b>			
Accounts payable and other current liabilities	4,716,585	(4,340,822)	375,763

**NOOR AL MAL FOR FINANCIAL BROKERAGE AND FOREIGN STOCK EXCHANGE  
LIMITED LIABILITY COMPANY  
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The impact of these adjustments on the interim statement of cash flows is as follows:

	30 June 2021		
	Before adjustments	Effect of adjustments	After Adjustments
	JD	JD	JD
<b>Assets-</b>			
Trade receivable and other current assets	(49,243)	94,401	45,158
Accounts payable and other current liabilities	1,650,844	(1,567,364)	83,480
Deposits	121,000	(121,000)	-
Amounts due from a related party	(1,595,078)	1,075,496	(519,582)
Payments on lease contracts liabilities	(24,242)	(4,207)	(28,449)
Finance Cost - on lease contracts liabilities	(4,207)	4,207	-
Changes in cash and cash equivalent	675,685	(518,467)	157,218

**(13) AGENT VERSUS PRINCIPLE RELATIONSHIP**

The Company exercises judgment to determine the substance of its business relationships whether agent or principle. The Company determined that it acts as agent to manage the customers portfolios. The total balance of the customers portfolios that was not recorded on the interim statement of financial position amounted to JD 3,555,037 as at 30 June 2022 (31 December 2021: JD 3,907,337).